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TESTIMONY BEFORE THE  
INSURANCE AND REAL ESTATE COMMITTEE  
LEGISLATIVE OFFICE BUILDING  
FEBRUARY 5, 2015

My name is Jennifer Herz and I am Assistant Counsel for the Connecticut Business & Industry Association (CBIA). CBIA has been representing Connecticut's employers for 200 years and today is proud to say the vast majority of our members are small companies employing less than 50 people.

Connecticut's employers are very concerned with the cost and quality of healthcare. In a recent survey, CBIA's members listed healthcare costs as among the top 3 issues keeping them up at night – right behind national and state economy.<sup>1</sup> Connecticut's employers contribute to their employees' premiums and rising premiums make it more and more difficult for employers to help pay for their employees healthcare. Equally important, employers value the bottom line contribution of healthy employees because that means a productive, innovative workforce.

While CBIA is concerned about the cost of new mandates, we also appreciate the potential long term benefits of certain services/procedures. However, without the specific data it is not possible to analyze the cost/benefit impact and therefore **CBIA does not believe there is enough information to make a decision on HB 5359 and therefore urges you not to act on this mandate at this time.**

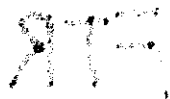
Connecticut employers are concerned with Connecticut's high number of existing health benefit mandates because in the aggregate they restrict choice and increase price. And, without data to show the long term cost/benefit of a particular service/procedure it is not possible to determine if the benefit will outweigh the increased cost. It is important to remember Connecticut already has many more mandates than other states nationally and even in New England so these proposals are adding to an existing issue.<sup>2</sup>

**New Mandates = Higher Cost for Small Employers**

New health benefit mandates directly impact small employers because these mandates only apply to companies that fully insure. Typically smaller employers fully insure because they cannot afford to self-insure. Larger companies that are able to self-insure are exempt from state requirements and instead subject to federal rules. We must work together to ensure health insurance is affordable for all of Connecticut's residents and CBIA is especially concerned about Connecticut's small employers.

<sup>1</sup> See 2014 Survey of Connecticut Businesses, page 5: [http://www5.cbiam.com/newsroom/wp-content/uploads/2014/09/BlumShapiro\\_14.pdf](http://www5.cbiam.com/newsroom/wp-content/uploads/2014/09/BlumShapiro_14.pdf)

<sup>2</sup> See CBIA's Legislative Agenda: <http://gov.cbiam.com/agenda/healthcare1>



## **Cost to the State**

The Essential Health Benefit package – required by federal healthcare legislation – is already set and includes all of the state’s existing health benefit mandates. However, this package cannot be changed until 2016 and the state is required to pay for any mandates not included in the existing package. So, if new mandates are adopted the state must pick up the bill for certain individuals who utilize those new mandates.

While we certainly agree not all new mandates are cost prohibitive we must also be prudent in adopting new measures and be sure we have all the data to substantively analyze new measures. Without the specific data to analyze this new benefit CBIA urges the Committee to reject HB 5359 at this time.

Thank you for the opportunity to offer CBIA’s comments.